

Message Text

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INFO AMEMBASSY ABU DHABI

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMCONSUL DHAHRAN

C O N F I D E N T I A L STATE 045742

STADIS////////////////////////////////////

FOR CHARGE FROM SOBER

E.O. 11652: GDS

TAGS: ETRD, PFOR

SUBJECT: SECRETARY SIMON'S VISIT: TALKING POINTS ON ARAB
BOYCOTT

1. FOLLOWING TALKING POINTS PREPARED FOR SECRETARY SIMON'S
VISIT TO SAUDI ARABIA ON BOYCOTT AND DISCRIMINATION WERE
FURNISHED TO TREASURY AFTER PREPARATION OF FORMAL BRIEFING
BOOK COMPLETED. ACCORDINGLY, THEY ARE NOT IN MATERIALS
ALREADY AVAILABLE TO EMBASSY IN PREPARATION FOR VISIT.

2. BEGIN TEXT. TALKING POINTS PAPER
ARAB BOYCOTT/VISA DISCRIMINATION -- SAUDI ARABIA
IN YOUR DISCUSSIONS WITH SAUDI OFFICIALS, IF THE BOYCOTT
ISSUE SHOULD ARISE, YOU MAY WISH TO DRAW UPON THE FOLLOWING
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POINTS:

--WE KNOW OF YOUR CONCERNS ABOUT INCREASED PRESSURES IN THE UNITED STATES FOR STRONGER MEASURES OPPOSING THE ARAB BOYCOTT. WE WISH YOUR UNDERSTANDING CONCERNING OUR OWN PROBLEMS ARISING FROM BOYCOTT PRACTICES.

--WE NEED NOT REPEAT HOW HIGHLY WE VALUE THE STRENGTHENING OF ALL U.S.-SAUDI TIES, INCLUDING ECONOMIC TIES. THE JOINT ECONOMIC COMMISSION IS A CLEAR EXAMPLE. WE HAVE A STRONG DESIRE TO PROMOTE A CONTINUED EXPANSION OF U.S.-SAUDI COMMERCIAL AND FINANCIAL RELATIONS. IT IS OUR WISH TO CONTRIBUTE TO THE MAXIMUM TO RAPID ECONOMIC DEVELOPMENT OF THE REGION. WE SEE COOPERATION IN ECONOMIC AREAS AS PART OF A BROADER EFFORT TO BRING PEACE TO THE MIDDLE EAST.

--IT IS IN THIS BROAD CONTEXT THAT BOTH SAUDI ARABIA AND THE UNITED STATES NEED TO UNDERSTAND THE PROBLEMS EACH OTHER FACES WITH RESPECT TO THE BOYCOTT. WE NEED TO DO OUR BEST TO WORK OUT SOLUTIONS TO PROBLEMS RECOGNIZING THE IMPORTANT RESPECTIVE CONCERNS OF EACH COUNTRY.

--OUR OWN POLICY, AS YOU KNOW, IS TO OPPOSE FOREIGN BOYCOTTS AGAINST COUNTRIES FRIENDLY TO US. THIS POLICY HAS BEEN ON OUR LAWBOOKS FOR MANY YEARS. WE DO NOT, HOWEVER, CONTEST SAUDI ARABIA'S SOVEREIGN RIGHT TO ENGAGE IN THE BOYCOTT IF THAT IS ITS DESIRE. NEITHER DO WE CONTEST THE RIGHT OF SAUDI ARABIA TO CHOOSE FREELY THE FIRMS WITH WHICH IT WISHES TO DO BUSINESS.

--WE WISH YOUR UNDERSTANDING OF THE BACKGROUND TO THE PRESIDENT'S NOVEMBER 20 STATEMENT CONCERNING DISCRIMINATION ARISING FROM BOYCOTT PRACTICES.

. --U.S. ANTI-BOYCOTT ACTIONS ARE NOT DIRECTED AGAINST ANY PARTICULAR COUNTRY.

. --PRESIDENTIAL STATEMENT REAFFIRMED LONGSTANDING U.S. POLICY ON DISCRIMINATION AGAINST AMERICAN CITIZENS ON RELIGIOUS OR RACIAL GROUNDS.

. --AS WE UNDERSTAND THE BOYCOTT, DISCRIMINATION ON RELIGIOUS OR ETHNIC GROUNDS IS NOT A COMPONENT AND RARELY OCCURS.

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(IF THIS PARTICULAR QUESTION COMES UP)

--WE DO HAVE A PARTICULAR PROBLEM REGARDING THE ENFORCEMENT OF THE SECONDARY BOYCOTT WHERE A FOREIGN GOVERNMENT SEEKS TO REQUIRE A U.S. FIRM TO DISCRIMINATE AGAINST ANOTHER U.S. FIRM BECAUSE THE LATTER IS ON A BLACKLIST. UNDER OUR ANTI-TRUST LAW, WHICH HAS BEEN IN FORCE SINCE BEFORE THE TURN OF THE CENTURY, U.S.

FIRMS CANNOT DISCRIMINATE IN THE U.S. AGAINST OTHER U.S. FIRMS. THE EFFECT OF THIS LAW IS THAT U.S. FIRMS CANNOT BECOME THE ENFORCERS OF FOREIGN BOYCOTTS AGAINST OTHER U.S. FIRMS.

--ALTHOUGH THERE IS CONTINUING CONGRESSIONAL PRESSURE FOR LEGISLATION TO TIGHTEN UP THE ENFORCEMENT OF U.S. ANTI-BOYCOTT POLICY, THE ADMINISTRATION HAS OPPOSED NEW LEGISLATION ON THE GROUNDS THAT SUFFICIENT AUTHORITY ALREADY EXISTS TO PROTECT THE INTERESTS OF U.S. CITIZENS AND FIRMS.

VISA DISCRIMINATION

(IF THIS SUBJECT SHOULD ARISE)

--ON THE QUESTION OF SAUDI VISA REQUIREMENTS, WE ARE PLEASED THAT WE HAVE BEEN ABLE TO CONTINUE THE INFORMAL WORKING ARRANGEMENT AGREED UPON UNDER THE JOINT ECONOMIC COMMISSION PROGRAM.

--WE RECOGNIZE THAT THIS IS A DIFFICULT AND SENSITIVE ISSUE AND THE STATE DEPARTMENT WILL CONTINUE TO BE IN TOUCH WITH AMBASSADOR ALIREZA IN WASHINGTON AND AMBASSADOR PORTER WILL ALSO BE AVAILABLE TO DISCUSS THIS MATTER WITH YOU IN SAUDI ARABIA.

--I REPEAT THAT PATIENCE AND UNDERSTANDING ARE NEEDED ON BOTH SIDES. WE SEE COOPERATION BETWEEN US AS ESSENTIAL TO THE BROADER EFFORT TO BRING PEACE TO THE MIDDLE EAST AND TO HELP DEVELOP THE REGION. IT IS IMPORTANT FOR BOTH SAUDI ARABIA AND THE UNITED STATES TO UNDERSTAND THE PROBLEMS EACH OTHER FACES WITH RESPECT TO THE BOYCOTT AND DESIRED ACHIEVEMENT OF DEVELOPMENT AND OTHER GOALS.
END TEXT. KISSINGER

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